



Raymond Chabot inc.

Affiliate of
Raymond Chabot Grant Thornton
LLP

CANADA
DISTRICT OF QUEBEC
DIVISION No.: 05-TROIS-RIVIÈRES
COURT No.: 400-11-004384-110
FILE No.: 43-146672
OFFICE No.: 167421-001

SUPERIOR COURT
"Commercial Division"

IN THE MATTER OF THE BANKRUPTCY OF: **IQT LTÉE**, legally incorporated body corporate with places of business at 3200 Chanoine-Chamberland, Trois-Rivières, Quebec G8Z 2T2 and 199 Wentworth Street East, Oshawa, Ontario, L1H 3B6

Debtor

-and-

RAYMOND CHABOT INC. (SR0205)

Réjean Bouchard, CIRP
Trustee in Charge

Trustee

**TRUSTEE'S REPORT TO CREDITORS
ON THE PRELIMINARY ADMINISTRATION**

(Section 102(5))

PREAMBLE

The *Bankruptcy and Insolvency Act* prescribes the holding of a first meeting of creditors so that they may discuss their collective interests in the administration of the estate and make all necessary and relevant decisions with reference to this administration.

Accordingly, please read this report which discusses the Trustee's preliminary administration of the estate.

Drafted in Laval on January 10, 2012

RAYMOND CHABOT INC.
Trustee

Réjean Bouchard, CIRP
Trustee in Charge

A) BACKGROUND

The Debtor, incorporated on March 7, 2002, operated in the field of telemarketing and more specifically as a call center. Its main places of business were located at 3200 Chanoine-Chamberland in Trois-Rivières, Quebec and 199 Wentworth Street East in Oshawa, Ontario.

A receiving order was made against the Debtor by the Agence du revenu du Québec and the Commission des normes du travail. The order was received by Registrar M^{trc} Nancy Sylvestre on December 20, 2011 and the debtor was declared bankrupt.

The Trustee sent each director a copy of the ruling as well as their duties and obligations. Said directors did not contact the Trustee. For Messrs. Alex Mortman and David Mortman, the deliveries were returned to us with the message "undeliverable."

The Corporation's shareholders were:

- John Fellows;
- Alex Mortman;
- David Mortman.

The Corporation's directors were:

- Alex Mortman;
- Renae Marshall;
- John Fellows;
- David Mortman.

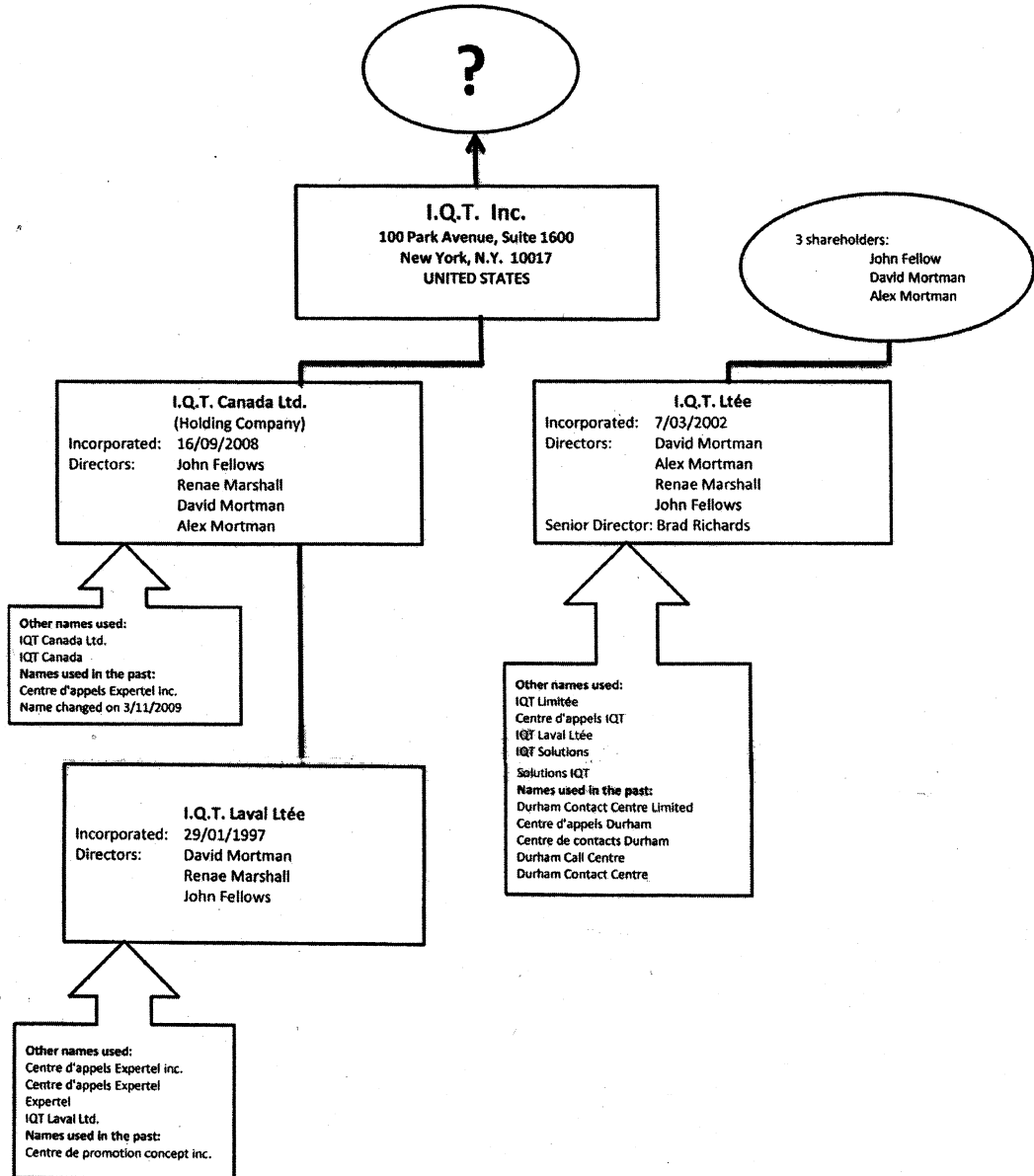
According to the Registraire des entreprises du Québec, Brad Richards was the Senior Director.

The Debtor ceased operations on July 15, 2011. It dismissed 650 employees without notice and without providing any employment records. The last days worked and vacation days were not paid.

The Trustee is unaware up to what point the Debtor kept its books since no document has been submitted by Debtor management.

A representative from the Agence du revenu du Québec informed the Trustee that it recovered approximately 55 boxes of documents from the Debtor. The Trustee is unaware of the contents of the boxes since no inventory was compiled following the seizure by the Agence du revenu du Québec. Currently, the boxes are sealed and will be recovered shortly by the Trustee.

B) STRUCTURE OF THE "IQT" GROUP



C) ASSETS - SECURED CREDITORS - EMPLOYEES

Assets

Currently, the Trustee has no information on outstanding amounts due to the Debtor as of the cessation of operations on July 15, 2011.

Secured creditors

On May 6, 2009, a conventional mortgage without dispossession, covering all of the Debtor's goods, was issued to Wells Fargo Business Credit Canada ULC for \$50,000,000. On the same day, a general assignment of debts was issued to Wells Fargo Business Credit Canada ULC.

On July 19, 2011, a legal mortgage of the estate was issued to Hydro-Québec for the amount of \$29,562.81.

Employees

The amount due to the 684 employees identified is allocated as follows:

	Oshawa	Trois-Rivières
• Number of employees	521	163
• Unpaid salary:	717 414,41	228 791,46
• Vacation :	163 932,08	133 021,61
• Indemnity :	2 648 604,89	965 407,15
	<u>3 529 951,38</u>	<u>1 327 220,22</u>

The Trustee has registered each of these employees in the Service Canada Wage Earner Protection Program.

All employees have also been advised that they must register with Service Canada to take advantage of the Wage Earner Protection Program.

D) CONSERVATORY MEASURES

No conservatory measures are required since the Debtor has no assets and ceased its operations on July 15, 2011.

Other

The Trustee has requested that the Bank of Montreal close the Debtor's bank account.

The Trustee published the notice of the first meeting of creditors in the Journal de Montréal on January 5, 2012.

E) LEGAL PROCEEDINGS, TRANSFERS AT UNDERVALUE AND PREFERENCES

The study of transfers at undervalue and preferences has not been completed to date as the Trustee has not received any documents.

Legal proceedings: 500-22-183318-115.

A notice of stay of proceedings has been sent to: Olymbec Investments inc. c/o Roussin Larose Lessard.

Legal proceedings: 500-22-186147-115.

A notice of stay of proceedings has been sent to: Heenan Blaikie S.R.L.

Legal proceedings: CV-11-432919 00CP

A notice of stay of proceedings has been sent to: Bob Brigaitis and Cindy Rupert, c/o of Falconer Charney LLP.

F) THIRD-PARTY GUARANTEES AND CONFLICTS OF INTEREST

The Trustee has a guarantee of fees from:

- The Agence du revenu du Québec and the Commission des normes du travail.

Raymond Chabot inc. is also acting as Trustee in Bankruptcy of IQT Laval Ltée.

G) PROJECTED DISTRIBUTION

Since the Debtor has no assets, the Trustee expects no dividends will be available for distribution to the unsecured creditors.

* *In case of discrepancy between the English and French version, the French shall prevail.*